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SUBJECT: MUNIB AL MASRI DISCUSSES RECONCILIATION, EARLY
ELECTIONS, AND AN INTERIM GOVERNMENT

Classified By: Consul General Jake Waller, Reasons 1.4 (b) and (d).

¶1. (C) Summary: In an April 13 meeting with the Consul General, independent Palestinian billionaire and PLO Central Council member Munib Al Masri said national reconciliation talks stalled on key questions concerning elections, government formation, and the PLO. Al Masri said he suggested "a cease-fire" between Hamas and Fatah and the formation of an interim government without a political program headed by Salam Fayyad while reconciliation talks continue. Al Masri said elections are the only way to resolve the impasse in the Palestinian political system. End Summary.

Reconciliation Talks Deadlocked on Key Issues

¶2. (C) Meeting in Jerusalem, Al Masri briefed the Consul General on Cairo reconciliation talks in which he participated, he said, as a leader of Palestinian independents. Al Masri said Fatah and Hamas deadlocked on whether a government would "respect" (Hamas's preferred word) or "commit to" (Fatah's preference) prior PLO agreements. Al Masri said some participants believe Palestinian Authority President Mahmud Abbas (Abu Mazen) does not want reconciliation given Fatah negotiators' insistence that a government explicitly endorse Quartet principles, a condition Hamas publicly rejected before talks began. Al Masri said Fatah and Hamas do not agree on the system of future Palestinian Legislative Council (PLC) elections, with Fatah insisting that all seats be elected by national proportional representation while Hamas seeks half the seats to be elected by constituency voting. Al Masri said, however, the parties agreed to hold PLC elections no later than January 25, 2010. On the PLO, Al Masri said Fatah and other factions rejected Hamas's proposal to change the leadership structure, insisting that Hamas participation must be as a member within the existing PLO framework.

Interim Government Followed by Elections

¶3. (C) Characterizing the current situation facing Palestinians as "a catastrophe worse than 1948", Al Masri said he proposed at reconciliation talks the formation of an interim government without a political program headed by Salam Fayyad leading to elections within three months. An interim government, he said, would seek to relax West Bank movement and access, lead the reconstruction of Gaza, seek to lift the "embargo" on Gaza, and organize elections, while reconciliation talks continue. The Consul General noted that any new PA government must be able to deal with Israel and the international community to survive, and the Quartet principles represent the only basis on which that is possible. Al Masri suggested Hamas support has grown in the West Bank in recent months, but he said an election will serve as a referendum on Hamas which, he said, would lead the nation into a "dark age." Al Masri said 20-40 PLC deputies support his call for early elections. Al Masri emphasized

that elections are the only way to resolve the impasse in the Palestinian political system.

¶4. (C) Comment: Al Masri, reportedly the richest Palestinian, is an aspiring Prime Minister without significant popular support. Married to an American and educated in Texas, Al Masri seeks an active role by the USG and sees himself as a partner to USG efforts. End comment.

WALLES